

Signatures Are Not Required to Resolve a Dispute

Signatures and Signed Affidavits Are Not Required by Reg E or Reg Z

One of the most common obstacles to streamlining the dispute management process is regulatory misconceptions. Quavo experts often find that issuers are spending time and resources on regulatory procedures that are outdated or obsolete.

Many issuing financial institutions require signatures throughout the fraud and disputes process because they assume it is required to stay compliant, but this is a longstanding fallacy. Signatures have never been mandatory requirements for fraud and dispute case resolution. While some institutions still find them important, our dispute experts put together some compelling information as to why it may be time to retire mandatory signature requirements from your dispute resolution process.



The History of Signatures & Signed Affidavit Requirements

At one point, Visa debit cards did require signatures for disputed domestic transactions as part of chargeback requirements. However, Visa was the only card carrier to do so and they removed the mandate around 2013 - 2014. Visa also stopped requiring signatures for European transactions in January 2019.

Now the practice of requiring signatures for disputed transactions is just a relic of the days where cardholders received paper statements, filled out a form on the back of the paper to dispute a charge, and sent their dispute back via snail mail.

Banking has come a long way since the days of paper disputes, which is why Quavo experts advise issuers to no longer require signatures during the dispute process.



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Requiring Signatures, Ethically and Effectively

In some instances, financial institutions may want affidavits signed during a dispute, but there is no need for a paper trail when everything can be done electronically. Deploying dispute management software that can digitize the affidavit form with a service like DocuSign removes the need for mailers and/or in-person signing at a branch. Moving signatures online or eliminating them completely lends itself to a more efficient business process and frees up resources that can be better spent on revenue-generating initiatives.

Signature requirements have even been used as a protective mechanism, or a thinly veiled way to dissuade account holders from disputing charges. Sometimes FIs that face or fear an onslaught of disputed charges use signatures to prevent friendly fraud instances from eating up valuable time and resources. The idea is that people will not sign something unless they are 100% certain it is true fraud. But what if, as is often the case, your account holders are not sure a charge is fraudulent or not?

Automation and Self Service

This is where issuers can leverage automated dispute management technology with a self-service feature to offer real-time fraud investigation results via their digital banking platforms. Not only can self-service house digitalized signature requirements, should the situation require, but it can also offer real-time access to information regarding the findings of a dispute investigation findings before a signed affidavit is ever requested. Features like self-service not only improve customer success stories, but they also allow account holders to take better actions when disputing a claim, offering more accurate information and insight than that if they had if they relied solely on a conversation with an agent on the phone. Quavo developed solutions that uphold the highest regulatory, ethical, and customer experience standards to streamline fraud and dispute processes.

Removing signatures helps financial institutions expedite the chargeback process, provisional credit decisions, and recovery times. Employing automated dispute management systems and dispute management AI technology keeps teams from being overwhelmed with high claim volumes and call-backs. Reducing loss and making workflows more efficient is important to stay inside the regulatory guides and resolving faster.



For more information about Quavo's dispute management solutions, visit [Quavo.com](https://www.quavo.com) or contact our experts at experts@quavo.com.

We're happy to help you, no matter where you are in your fraud and disputes journey.